

POLS 4790H Politics of the Financial Crisis

Topic 4: The Buildup to the Banking Crisis of 2008: Subprime Mortgages, Securitization, and Fannie and Freddie

1. The Basics of Securitization
2. The Shadow Banking System -- Sale and Repurchase Market ("REPO")
3. The Rise Subprime Mortgages, the need for collateral, and their role in the Shadow Banking System
4. *The Big Short* - Why did no one "catch on" to the looming disaster?
5. *Reckless Endangerment* - The Role of Fannie, Freddie, and Congress in Fueling the Bonfire